

# AHS – NBR SFY'17

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AKA – AHS FEDERAL HOLDING ACCOUNT, AKA – BLUE BOOK

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## What is the NBR:

- Agencies and departments are required to manage and monitor their federal revenue to ensure expenditures do not exceed revenues.
- Departments close-out each fiscal year with a zero or positive balance in the federal revenue account. If a deficit exists, there must be an “anticipated” receipt to cover.
- Fund balance changes occur when funds earned exceed or costs incurred are lower than budget on a cash basis for a given SFY.
- The remaining fund balance is fungible, but not accessible to spend without appropriated spending authority.
- Funds are used for one-time issues or as a stop gap for unanticipated caseload pressures or federal funding reductions. The balance is not used for base funding or normal operating expenses.

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## How it is managed at AHS:

- AHS manages most of its federal revenue centrally. AHS Staff draw in federal funds and reconcile these funds to department earnings on a quarterly basis.
- Departments receive a quarterly receipt schedule detailing the funds drawn on their behalf. Departments must ensure spending levels fall within available revenue.
- The funds are credited to a central holding account and transferred to departments at close-out to zero out their federal balance.

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Surpluses and deficits are realized in the federal holding account for the following reasons:

- Costs or revenues being higher or lower than budgeted;
- Changes in FMAP or claiming – for example, enhanced CHIP match;
- Prior year adjustments to correct coding or federal guidance;
- New or discontinued federal grants;
- Federal bonuses or disallowances;
- Any other change after the budget has been passed.

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The SFY16 net balance is \$61 million – represents 2.5% of total AHS budget.

- The fund balance doubled in SFY11 due to surpluses in every AHS department attributable to unbudgeted ARRA FMAP increases, unbudgeted prior year adjustments and a new federal regulation allowing an increased FMAP for CHIP qualifying claims.
- Surpluses continued to accumulate in SFY13 and SFY14 before leveling off in SFY15.

**Summary of AHS-NBR Balance by SFY**

SFY	Available Balance	Change in Balance	CHIP - Qualifying Claims	ARRA, PQA and Net Direct App	Surplus <Deficit> AHS Operations
FY2006	9,583,257				9,583,257
FY2007	7,276,633	(2,306,624)		(4,430,250)	2,123,626
FY2008	12,512,459	5,235,826		6,550,179	(1,314,353)
FY2009	14,032,260	1,519,801		28,928	1,490,873
FY2010	17,566,812	3,534,552		3,901,162	(366,610)
FY2011	34,867,135	17,300,323	508,090	14,265,747	2,526,486
FY2012	32,355,486	(2,511,649)	2,733,793	(1,486,661)	(3,758,781)
FY2013	46,534,825	14,179,339	6,103,824	5,186,156	2,889,359
FY2014	59,617,228	13,082,403	6,773,984	2,132,787	4,175,632
FY2015	61,314,194	1,696,966	6,333,075	(358,612)	(4,277,497)
FY2016	60,924,261	(389,933)	7,004,324	(9,810,632)	2,416,375
10 yr Cumulative Change		51,341,004	29,457,090	15,978,804	15,488,367

\*\*Reconciliation of balance change from 2007-2014 not complete\*\*